



Overview of Affordable Housing in Rother

The term Affordable Housing is legally defined and can relate to a range of different tenures. There are four headline tenures. The two tenures we see in Rother are Affordable Rent and ‘other low- cost routes to home ownership’ which includes ‘shared ownership’.

There are three aspects that determine the [Affordable Rent](#) tenure.

1. Rents are secured at a minimum 20% below market levels
2. The landlord is a Registered Provider
3. The property retains an Affordable Rent for all future occupants

Shared Ownership

Shared Ownership is a legally compliant form of Affordable Housing, it is a product that provides a more affordable route to home ownership and typically benefits those who could afford a mortgage but struggle to save for a deposit whilst paying a market rent. Shared Ownership properties allow people earning at or around the UK median salary to purchase property in the area that they live and/or work.

There are a number of existing and planned developments in Rother that seek to provide all the housing as legally compliant Affordable Housing. In many cases Affordable Housing will be Shared Ownership housing.

The Role of Registered Providers (Housing Associations)

Registered Providers (RPs) acquire new sites from the open market and build affordable housing on it as well as market housing on occasion depending on housing need and how the scheme stacks up financially. A major factor in deciding the split between decision is the policy position of Homes England (the government body responsible for Affordable Housing) to give grant funding on development sites that provide 100% Affordable Housing. This grant money is not provided by Homes England to RPs just acquiring sites that only require 30%, 35% or 40% affordable housing. An overview of what Homes England will and won't fund can be found [here](#).

Helping First Time Buyers

Taking a real-life current example we can see how much more affordable Shared Ownership properties are for first time buyers than what is available from traditional mortgage lenders on the open market. Lilybank in Battle is being built-out currently.

The below compares purchasing a 3-bedroom property through Shared Ownership with a standard open-market purchase

Shared Ownership with 35% ownership	Deposit required	Mortgage	Rent	Monthly cost	Open market value
	£12,200	35%	65%	£1084	£353,500
Standard repayment Mortgage	Deposit required	Mortgage		Monthly cost	Open market value
	£35,350	90%		£1508	£353,500



Typical Shared Ownership purchasers

Using the Lilybank example, a family earning the UK median household income would spend 43% of its income on housing costs to live in the Shared Ownership property.

However, they would have to spend 61% of monthly income for the standard repayment mortgage. When adding in fixed costs such as utilities and council tax a family would spend nearly three-quarters of their monthly income.

Shared Ownership buyers can buy as little as 10% of the property initially. They are then able to purchase in increments as small as 1% at a time up to full ownership. It should be noted though that rules from Homes England mean that [purchases are capped at 80%](#) in most of Rother other than Bexhill & Rye. These rules can be lifted on a case by case basis.

Affordable home ownership such as that outlined above allows first time buyers and families to live in, the communities they work in and where they were brought up. It can mean they don't need to leave their town or village or could mean that they can return to a place where family members still live.

For further information on the development and supply of Affordable Housing in Rother please contact the Housing Enabling & Development Officer; Graeme.quinnell@rother.gov.uk